

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Acre**  
**Cotton - Genetically Modified Seed, Conv. Till-24 Row, Dryland, 800 lb. Yield Goal - Lower Coast - 500 Acres**  
**Coastal Bend Extension District - 11**

Crop Acres		500				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Cotton Lint	800.00	Pound	\$0.62	\$496.00	\$248,000.00	\$248,000.00
Cottonseed	0.58	Ton	\$200.00	\$116.00	\$58,000.00	\$58,000.00
<b>Total Revenue</b>				<b>\$612.00</b>	<b>\$306,000.00</b>	<b>\$306,000.00</b>
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
<b>Production Costs</b>						
Custom						
Fertilizer Application	1	CWT	\$0.10	\$0.10	\$50.00	\$50.00
Pick and Module	800	Pound	\$0.14	\$112.00	\$56,000.00	\$56,000.00
Ginning - Picker	800	Pound	\$0.13	\$100.00	\$50,000.00	\$50,000.00
Fertilizer						
24-8-0	0.1665	Ton	\$332.00	\$55.28	\$27,639.00	\$27,639.00
Herbicide						
Glyphosate	3	Quart	\$5.50	\$16.50	\$8,250.00	\$8,250.00
Trifluralin	32	Ounce	\$0.18	\$5.76	\$2,880.00	\$2,880.00
2, 4D Amine	2	Pint	\$1.52	\$3.04	\$1,520.00	\$1,520.00
Insecticide						
Boll Weevil Program LC	1	Acre	\$3.50	\$3.50	\$1,750.00	\$1,750.00
Fleahopper Control LC	3.2	Ounce	\$1.20	\$3.84	\$1,920.00	\$1,920.00
Miscellaneous						
Pickup Milage Charge	1	Acre	\$3.88	\$3.88	\$1,940.00	\$1,940.00
Crop Insurance -Cotton LC	1	Acre	\$26.44	\$26.44	\$13,220.00	\$13,220.00
Seed						
Cotton Seed - B2RF	40	Thousand	\$0.78	\$31.20	\$15,600.00	\$15,600.00
Cotton Seed - Insect Treatment	40	Thousand	\$0.17	\$6.80	\$3,400.00	\$3,400.00
Tech Fee - B2RF	1	Acre	\$42.00	\$42.00	\$21,000.00	\$21,000.00
Other Labor						
Hand Labor	0.08	Hour	\$16.00	\$1.28	\$640.00	\$640.00
Other Chemicals						
Defoliant - Picker	0.6	Ounce	\$0.82	\$0.49	\$246.00	\$246.00
Silicone Surfactant	1.6	Ounce	\$0.70	\$1.12	\$560.00	\$560.00
Generic PIX	5	Ounce	\$0.09	\$0.45	\$225.00	\$225.00
Machinery Labor						
Tractors/Self-Propelled	0.5	Hour	\$19.50	\$9.75	\$4,875.00	\$4,875.00
Diesel Fuel						
Tractors/Self-Propelled	6.27	Gallon	\$2.10	\$13.17	\$6,583.50	\$6,583.50
Repairs & Maintenance						
Tractors/Self-Propelled	1	Acre	\$14.07	\$14.07	\$7,036.39	\$7,036.39
Implements	1	Acre	\$15.82	\$15.82	\$7,910.93	\$7,910.93
Interest on Credit Line			4.25%	\$7.22	\$3,611.11	\$3,611.11
<b>Total Variable Costs</b>				<b>\$473.71</b>	<b>\$236,856.93</b>	<b>\$236,856.93</b>
<b>Planned Returns Above Variable Costs:</b>				<b>\$138.29</b>	<b>\$69,143.07</b>	<b>\$69,143.07</b>
<b>Breakeven Price to Cover Variable Costs</b>			<b>\$0.45</b>	<b>Pound</b>		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
<b>Machinery Depreciation</b>						
Tractors/Self-Propelled	1	Acre	\$19.24	\$19.24	\$9,618.95	\$9,618.95
Implements	1	Acre	\$21.01	\$21.01	\$10,504.15	\$10,504.15
<b>Equipment Investment</b>						
Tractors/Self-Propelled	\$147.69	Dollars	7.00%	\$10.34	\$5,169.06	\$5,169.06
Implements	\$90.61	Dollars	7.00%	\$6.34	\$3,171.44	\$3,171.44
Management Fee, Owner/Operator Labor	1	Acre	\$30.60	\$30.60	\$15,300.00	\$15,300.00
LCB - Land Charge	1	Acre	\$70.00	\$70.00	\$35,000.00	\$35,000.00
<b>Total Fixed Costs</b>				<b>\$157.53</b>	<b>\$78,763.61</b>	<b>\$78,763.61</b>
<b>Total Specified Costs</b>				<b>\$631.24</b>	<b>\$315,620.55</b>	<b>\$315,620.55</b>
<b>Returns Above Specified Costs</b>				<b>(\$19.24)</b>	<b>(\$9,620.55)</b>	<b>(\$9,620.55)</b>
<b>Breakeven Price to Cover Total Costs</b>			<b>\$0.64</b>	<b>Pound</b>		

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	600.00	\$0.60	\$0.86
90%	720.00	\$0.50	\$0.72
100%	800.00	\$0.45	\$0.64
110%	880.00	\$0.41	\$0.59
125%	1000.00	\$0.36	\$0.52

Developed by Levi Russell, Assistant Professor and Extension Economist, Texas A&M AgriLife Extension Service.

**Information presented is prepared solely as a general guide and not intended to recognize or predict the costs and returns from any one operation. Brand names are mentioned only as examples and imply no endorsement.**